

Maryland Energy Administration

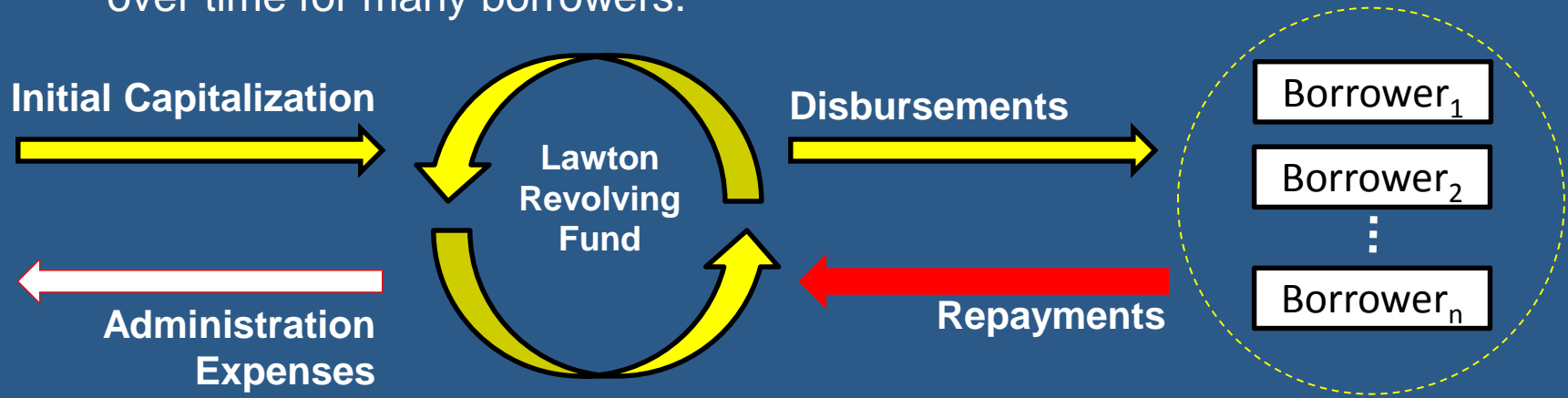
Jane E. Lawton Conservation Loan Program



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Lawton Loan Program Overview

- A *revolving fund* – an original investment that has been recycled over time for many borrowers.



- Interest charges and fees sustain the Program over time.

Lawton Loan Program Background

- Provides low-interest loans for energy efficiency and conservation improvements to structures located within the State of Maryland
 - FY20 interest rate is 2% per annum for Maryland businesses, non-profits, and local governments
 - For State Agencies, the interest is 0%, but a one-time 1% admin fee is applied to the first payment.
- Program removes barriers to implementation by assisting with the up-front costs of energy efficiency investments.
 - Complements local, state, and utility programs
- Eligible borrowers include Maryland businesses, nonprofit organizations, and local governments.
 - New for FY20: State Agencies are also now eligible.



Entities Eligible for Lawton Loans

- **Businessess**
 - Maryland Corporations
 - Other corporations registered to do business in Maryland
- **Nonprofit Organizations**
 - Foundations
 - Private Schools
 - Hospitals
- **Local Governments**
 - Counties
 - Municipalities
 - Board of Education
Special Districts
- **State Agencies**



Energy Projects Eligible for Lawton Loan Financing

- One or more mechanical improvements, building modifications, or energy system controls that directly enhance energy efficiency and reduce the operating expenses of a structure located in Maryland.
- Eligible projects are those that bundle one or more measures that reduce a facility's energy consumption:
 - relative to its existing performance, or
 - compared to basic, standard-performance energy technologies.
- Eligible projects must possess a simple payback of no more than 10 years in aggregate and 13 years in aggregate for State Agencies..

$$\text{Simple Payback} = \frac{\text{Total Proposed Project Cost}}{\text{Total Annual Anticipated Energy Cost Savings}}$$

- **Anticipated energy cost savings** are the expected reductions in annual energy operating expense resulting from the installation, operation, and maintenance of a project



FY20 Lawton Loan Program Terms

- Total Program budget of \$2,050,000
 - \$850,000 initially available for Non-profits, Local Governments, and Maryland Businesses
 - 2% annual interest rate
 - \$1,200,000 initially available for State Agencies
 - 0% annual interest rate
- Applications will be accepted until the funding is exhausted, whichever comes first.
 - \$205,000 out of the \$2,050,000 of the Program budget will be reserved for nonprofit organizations until November 30, 2019
 - Beginning February 1, 2020, all available funding will be loaned on a first-come-first-served basis
 - Commitments will be issued beginning November 1, 2019
 - Closings will be scheduled beginning December 1, 2019



Lawton Loan Program Application Requirements

- All applicants must submit a completed application packet and all required supporting documents
- Completed applicants must include:
 - Total proposed project costs
 - Total annual anticipated energy savings, certified by a qualified engineer
 - Annual cost savings estimates
 - List of other leveraged funds (e.g. utility rebates, grants, etc.)
 - Financial information to determine creditworthiness
 - Certificate of Good Standing from the **Maryland State Department of Assessments and Taxation (“SDAT”)**
- The application packet can be found on the Lawton Loan website at <https://energy.maryland.gov/govt/Pages/janeelawton.aspx> under the “How To Apply” section



Lawton Loan Application Process and Timeline

1. Applicant submits a complete application package either electronically or by mail to MEA
2. MEA Conducts three (3) reviews on each application (± 45 days)
 - Internal review to determine feasibility
 - Review by expert technical consultant to verify proposed energy savings
 - Review by State Agency partner to evaluate creditworthiness of borrower and identify sources of collateral
3. Based upon the results of the reviews, MEA offers a conditional commitment for financing (± 15 days)
4. Loan documents are negotiated (± 45 days)
5. MEA and Borrower sets a closing date



Lawton Loan Application Submission

Application Submission Options

Online submission (strongly encouraged)

- Please email all required documentation to Lawton.MEA@Maryland.gov
- More detailed instructions provided in Application packet.
- Applicants will receive a confirmation email within 24 hours of submission.

Hard copies (mailed or hand-delivered)

Send to:
Maryland Energy Administration
Attn: Lawton Loan Program – Application
1800 Washington Blvd. Suite 755
Baltimore, MD 21230

Applications for the FY20 Program will be accepted until funding is exhausted or June 30, 2020, whichever comes first.



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Recent Projects Financed with Lawton Loans

- In FY2012, a business borrowed \$68,000 for heating system and lighting upgrades.
 - Annual est. energy savings: 105,000 kilowatt-hours (kWh) and almost 4,700 therms.
 - Annual cost savings will be nearly \$18,000.
- In FY2013, a \$180,000 loan to a non-profit museum financed space conditioning and lighting upgrades.
 - Annual electricity savings will be over 210,000 kWh.
 - Annual cost savings will be almost \$30,000.
- In FY2014, a condominium association borrowed \$260,000 for new energy efficiency equipment.
 - Annual electricity use will be reduced by nearly 365,000 kWh.
 - Annual energy cost savings will be over \$35,000.
- In FY2015, a manufacturing facility borrowed \$342,640 for new energy efficiency equipment.
 - Annual electricity use will be reduced by nearly 491,030 kWh.
 - Annual energy cost savings will be over \$56,083



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